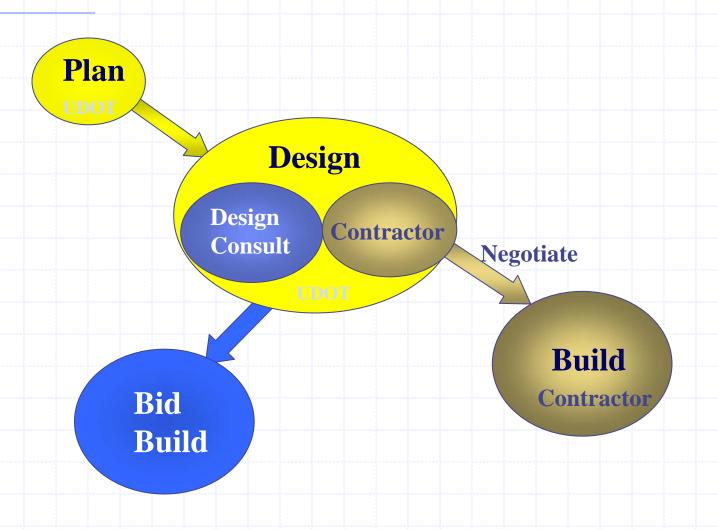
Innovative Contracting

Reuel Alder



CMGC Roles



CMGC Benefits



Other CMGC Benefits / Risks

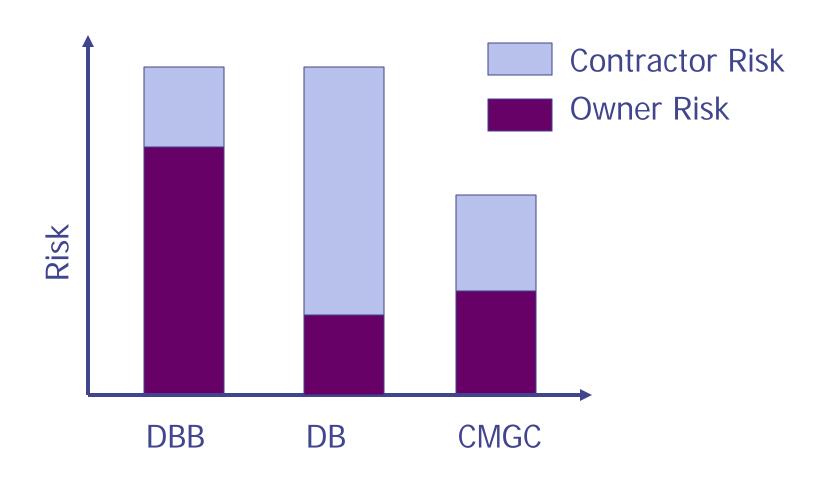
Benefits

- Reduces design errors and time
- Improves constructability
- Identifies and reduces risk
- Early procurement
- Lower cost
- Scope flexibility
- Predictable Profit

Risks

- Sole source contract
 - Fair price
- Negotiating skills
- Arranged marriage

Reduce Risk to Reduce Cost & Increase Profit



Selection Criteria

- Selection Criteria
 - Team Capability
 - Approach to Project
 - Innovation
- Price Components
 - Price
 - Approach to Price
- Selection team
 - Complex participants
 - Region participants
 - AGC and ACEC representatives

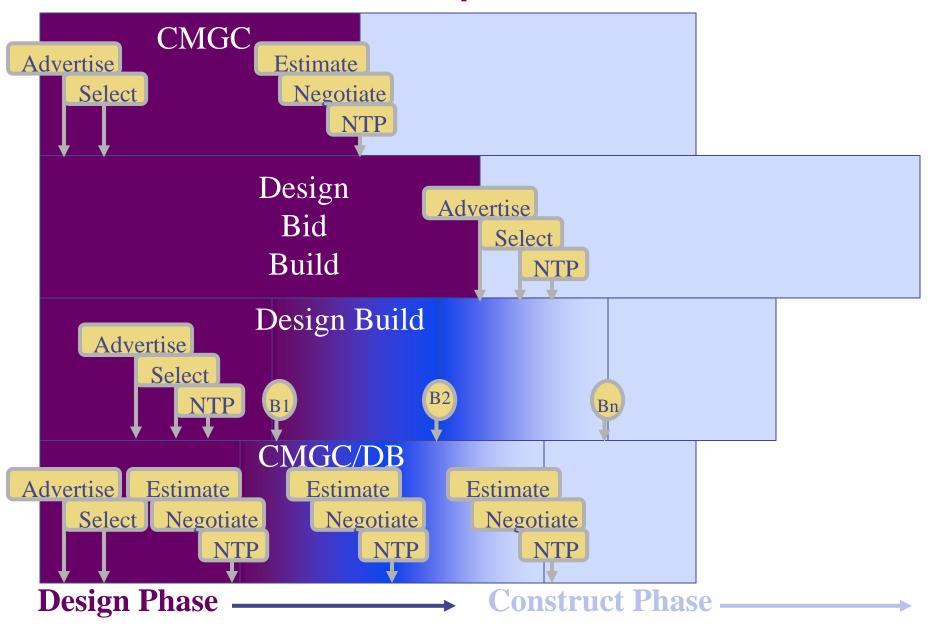
Price Benefits

- Brings cost accountability to the table
- Brings cost competition to the table
- Brings cost innovation to the table
- Provides validation of good price for public trust

Price in CMGC RFP

- Price
 - Award to average target
 - Most realist cost
- Approach to Price
 - 1/2 the price points
 - Provides confidence in the bid price
 - Reference your cost on past projects
 - Show open book capabilities

Construction Options



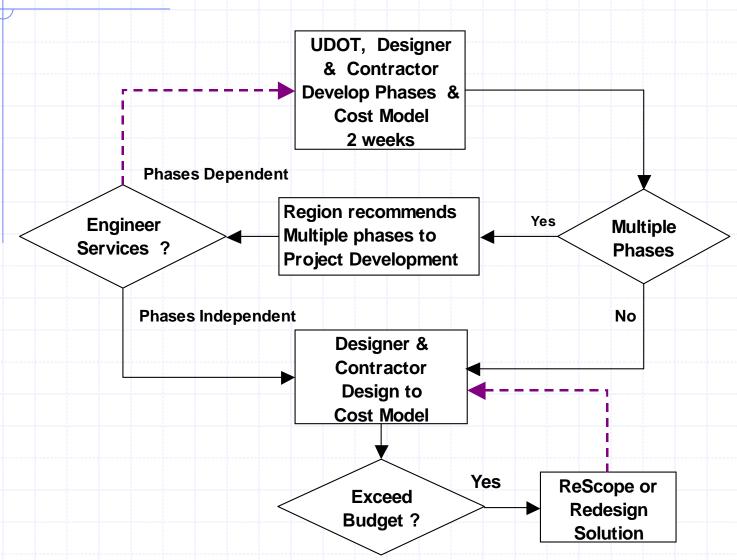
Prepare for Negotiations

- Set cost and schedule at beginning
- Provide Continuous updates to:
 - Cost & Schedule
 - Open book accounting
 - Peer reviews at design milestones
 - Designer, Contractor, Facilitator
- Set aside time to estimate
 - Cost accuracy depends on design awareness
 - We expect a GMP at bid opening

Design to Cost Model

- Decompose Project into Construction Phases
 - Independent
 - Severable
 - Could subcontract
- Estimate the cost
- Document Assumptions
- Peer review between Designer and Contractor

Design to Cost



Project Start up

- Partnering training
 - UDOT, Design team, Contract team
 - Roles, Responsibilities, Expectations
 - Contractor pays but we supply the funding
- Risk management
 - Initial ½ day at least
 - Can be delivered by contractor
 - Contractor tracks risk
 - Risk owner for high priority risks

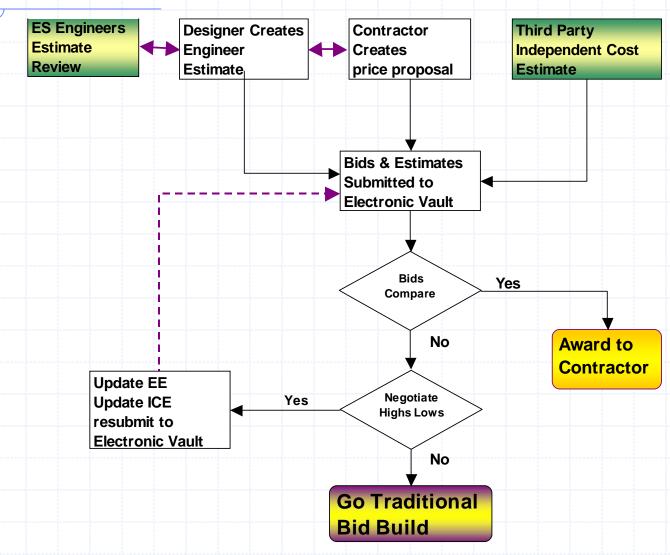
Innovation Process

- Identify, track, and decide
 - Use established decision criteria
- Needs to be continuous
- Value Engineering may be used
- Contractor is responsible for recording innovations and benefits

Prepare for Negotiations

- Set Measurements and Payments
- Meet to understand M&P
 - Include ICE, EE, Contractor, PM
 - Do not reveal price to ICE man
- Validate EE
- ICE validates contractors price proposal
- Submit all three to Electronic Vault
- Open Bid (when Checklist completed)

Estimate & Negotiate



Questions